

COASTAL CONSERVANCY

Staff Recommendation

May 18, 2005

FORT BRAGG WATERFRONT ACQUISITION (PHASE I)

File No. 05-005

Project Managers: Moira McEnespy and Sheila Semans

RECOMMENDED ACTION: Authorization to disburse up to \$4,165,000 to the City of Fort Bragg to acquire approximately 35 acres of waterfront headlands on the Georgia-Pacific former mill site in Fort Bragg, Mendocino County.

LOCATION: Fort Bragg waterfront, Mendocino County (Exhibits 1 and 2)

PROGRAM CATEGORY: Public Access

EXHIBITS

Exhibit 1: Project Location Map

Exhibit 2: Aerial Photo of Project Site

Exhibit 3: Open Space Parcels Map

Exhibit 4: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31000 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement to the City of Fort Bragg of up to four million one hundred sixty-five thousand dollars (\$4,165,000) for the acquisition and associated costs of approximately 35 acres in fee of waterfront headlands on the Georgia-Pacific former mill site property in Fort Bragg, Mendocino County (Portions of Mendocino County Assessor’s Parcel Numbers 008-010-26, 008-020-09, 018-430-01, and 018-430-02) for the purposes of public access, and natural resource, open space and scenic protection.

This authorization is subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds, the Executive Officer of the Conservancy (“Executive Officer”) shall review and approve all relevant acquisition documents, not limited to an appraisal, environmental assessments, agreement of purchase and sale, escrow instructions, and title documents.

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2. The City of Fort Bragg shall pay no more than fair market value for the property interests, as established in an appraisal approved by the State Department of General Services.
3. Prior to the disbursement of Conservancy funds for the acquisition of any parcel, the Regional Water Quality Control Board, North Coast Region, or other appropriate lead agency for site remediation, shall have indicated in writing that the relevant parcel(s) has been remediated to standards adequate to at least support the “highest and best use” as established by the approved appraisal, and appropriate for the intended use of the property.
4. No funds shall be disbursed for the acquisition of any property unless and until the landowner has irrevocably dedicated fee title to the California Coastal Trail corridor along the entire property, provided, however, that the City of Fort Bragg’s acceptance of title to any portion of the coastal trail may be conditioned on remediation of that portion and purchase of another parcel of the property.
5. The City of Fort Bragg shall permanently dedicate the property for public access, and natural resource, open space and scenic protection in a manner acceptable to the Executive Officer.
6. The City of Fort Bragg shall identify public access opportunities and the California Coastal Trail, and acknowledge Conservancy funding, by erecting and maintaining signs on the property, the designs and locations of which have been reviewed and approved by the Executive Officer.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the purposes and criteria set forth in Chapter 9 of Division 21 of the Public Resources Code.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. Public access along the Fort Bragg waterfront at this location would serve greater than local public needs.”

PROJECT SUMMARY:

Staff recommends that the Conservancy authorize disbursement of up to \$4,165,000 to the City of Fort Bragg to acquire a portion of the waterfront headlands on the Georgia-Pacific (GP) former mill site in Fort Bragg, Mendocino County (see Exhibits 1 and 2), for the purposes of public access, and natural resource, open space and scenic protection.

GP operated its mill at the site for over 100 years, closing operations in November 2002. GP seeks to dispose of the property, and retained a consultant team to determine the highest and best use of the property and develop an exit strategy.

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The GP site is located in the heart of the City, comprising approximately one-third of the City's total area and virtually all its coastal waterfront. The City will be required to approve any proposed land use plans for the property, which will in turn require General Plan, zoning, and Local Coastal Program (LCP) amendments. In August 2003, the Conservancy authorized funds to the City to conduct public outreach and market studies, with GP's cooperation, that included public workshops, interviews, focus groups, surveys, and preparation of an economic development strategy plan. The objective was to develop and analyze redevelopment alternatives that best meet the needs of the City, the community, and the region.

The City's public process and studies identified several parcels considered priorities for open space preservation and other public uses. These parcels have been divided into two phases for acquisition, based primarily on environmental remediation concerns, with Phase I parcels being less impacted.

This authorization is for Phase I of the acquisition (broken out by bullets, below, and shown in Exhibit 3), which will include GP's donation to the City of an approximately 38-acre CCT corridor (a portion of which would likely have been ultimately required as a condition of other development via the permit and specific planning processes), and acquisition by the City of the Glass Beach parking area, the North Soldier Bay headlands, and the South Parkland, which together total approximately 35 acres:

- California Coastal Trail (CCT) corridor: approximately 100 feet wide, along the entire property (approximately 3.3 miles), totaling approximately 38 acres;
- Glass Beach parking: approximately one-half acre, located at the end of Elm Street, to provide for a formal staging area for the CCT and Glass Beach, which is part of MacKerricher State Park;
- North Soldier Bay headlands: approximately four acres, located adjacent to the Coastal Trail along the north headland of Soldier Bay, to expand opportunities for coastal viewing; and
- South Parkland: approximately 30 acres, located adjacent to the Coastal Trail, south of the wastewater treatment plant, for public access, open space, and passive recreation.

Conservancy staff has worked with City and Coastal Commission staff and GP representatives, and has determined that moving forward with public acquisition of the Phase I parcels as soon as possible is beneficial for the following reasons. First, it will enable securing of the prime public open space areas on the property (which may not be available later as GP moves to dispose of the property) in the locations and configurations that have been vetted through the public process. Second, it will allow the community and the general public to access a City's waterfront that has been "off limits" for over century as soon as it is remediated; awaiting public access through permitting and specific requirements would mean public access would be deferred for many years. Finally, it will leverage donation of a wider CCT corridor than would likely be required through the specific planning and permitting processes—the width recommended in a Conservancy-funded geologic study of erosion rates for the site.

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Due to past use practices, the site will require some remediation. Environmental assessment thus far has revealed elevated levels of hydrocarbons, VOCs, and possibly other substances. Further assessment and development of a remedial action plan is ongoing. GP is committed to cleaning up the Phase I parcels, and transfer to the City of the Phase I parcels will not occur until the Regional Water Quality Control Board (RWQCB), the lead agency overseeing the remediation, has determined that the parcels have been appropriately remediated to support the “highest and best use” of the property as established by the property appraisal, as well as the actual intended park and open space uses. Cleanup of the Phase I parcels could start as early as Summer 2005.

The City will pursue purchase of the remainder of the open space areas (the Phase II acquisition) when they have also been remediated to the satisfaction of the lead agency overseeing the cleanup (currently the RWQCB). The Phase II parcels include the “Central Park/Mill Pond” (approximately 28 acres; allows for restoration of natural drainage ways and creation of a city park), the “Wastewater Treatment Plant expansion and buffer” (approximately 12 acres; allows for biological treatment of effluent), and the “Southern Reserve” (approximately 25 acres, located on the south of the Mill Pond; would be permanently restricted for public access, open space and passive recreation, and for the potential development of a public or not-for-profit facility such as an educational facility, a marine laboratory, or an arts or recreation-oriented facility).

The City is also currently undertaking a feasibility study to determine the potential of developing a marine research or education facility onsite. Widely regarded as the primary objective for development, a facility of this type would be located on the southern reserve parcel. If it is determined that there is not sufficient need for such a facility, or funds cannot be secured to develop it, the southern reserve parcel will not be considered for acquisition.

Site Description: The oceanfront GP site is located west of State Highway 1, in the heart of Fort Bragg, between Pudding Creek and Noyo River. The approximately 465-acre property encompasses about one-third of the City’s total area. GP used the site for over 100 years to support its timber mill; the mill ceased operations in November 2002.

Project History: The Conservancy has taken an active role in preserving open space and developing public access in Fort Bragg. In April and June 2001, the Conservancy assisted the City in acquiring the South Noyo Bluffs property, which borders the GP site to the south; in October 2002, the Conservancy assisted the State Department of Parks and Recreation in acquiring the Glass Beach property, which borders the GP site to the north. In August 2003, the Conservancy authorized funds to the City to conduct public outreach, market studies, and preparation of an economic development strategy plan. Staff has worked with the City, the community and GP over the last 18 months to identify key parcels for public acquisition, and redevelopment options for the remainder of the site.

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PROJECT FINANCING:

Acquisition:

Coastal Conservancy	
Acquisition of approximately 35 acres:	\$4,165,000
Georgia-Pacific:	
Donation of 38-acre CCT corridor:	\$3,310,560

Site Management:

City of Fort Bragg	\$200,000
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Conservancy funding is expected to be derived from California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2000 (Proposition 40) bond funds allocated for development, restoration and protection of land and water resources in accordance with the Conservancy's enabling legislation; and from the remainder of the Noyo River Bridge Mitigation Special Deposit Fund (about \$100,000), which was established under conditions of a coastal development permit to acquire and develop recreational lands in the Fort Bragg area offering views of the Pacific Ocean. The proposed acquisition is consistent with the Conservancy's enabling legislation, specifically Chapter 9 of Division 21 of the Public Resources Code, and will be used to acquire land in the Fort Bragg area as a public recreational area offering views of the Pacific Ocean, and is thus consistent with the purposes of these funding sources.

Conservancy funds will leverage a donation by the landowner, GP, of approximately 38 acres for the CCT corridor. In addition, the City will commit funding to conduct tasks necessary to open the property to the public (e.g., installation of site security fencing, signs, and portable restrooms). The City will seek additional funding to construct more substantial access and trail improvements such as paved trails, parking areas, and site furnishings.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to the Conservancy's enabling legislation, Division 21 of the Public Resources Code, particularly Sections 31400 *et seq.* pertaining to public access to and along the coast.

Section 31400 states the Legislature's intent that the Conservancy have a principal role in the implementation of a system of public accessways to and along the state's coastline. In the proposed project, the Conservancy will fund public acquisition of approximately 34.6 acres of waterfront headlands along the 465-acre oceanfront GP site, in addition to the donated 38-acre CCT corridor along the length of the property.

Section 31400.3 allows the Conservancy to aid public agencies in establishing a system of public coastal accessways; §31400.1 provides that the Conservancy may award grants to a local public agency to acquire, develop, operate, or manage lands for public access purposes to and along the coast, providing that the accessway will serve more than local public needs; and §31400.2 allows the Conservancy to provide up to the total cost of the acquisition of interests in public accessway lands by any public agency. In the proposed project, the Conservancy will assist the City of Fort Bragg to acquire waterfront property

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for public access and CCT purposes. The GP property is suitable for public access because it offers beach and coastal bluff access; in addition, due to its size and location, the property will serve residents of the greater Fort Bragg area and all visitors to the Mendocino Coast, which is a statewide and national scenic and recreational destination.

Finally, §31408 states that the Conservancy shall, in consultation with State Parks, coordinate development of the CCT. The proposed project includes donation to the City by GP of an approximately 100-foot-wide coastal trail corridor along the length of the 465-acre property (approximately 3.3 miles).

Conservancy participation in the proposed project is thus consistent with §31400, §31400.3, §31400.1, §31400.2, and §31408.

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 1 Objective D**, and **Goal 2 Objectives A and B**, the proposed project will assist the City of Fort Bragg in acquiring 3.3 miles of previously-inaccessible coastal trail corridor in a North Coast urban area; acquiring property to protect open space and views, and create parks; and in opening waterfront headlands for public use that were previously inaccessible. This site comprises nearly all of the City's waterfront and about one-third of the City's area, and is thus a significant coastal resource area.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** See letters of support in Exhibit 4.
4. **Location:** The proposed project would be located entirely within the coastal zone of Fort Bragg, Mendocino County.
5. **Need:** The City of Fort Bragg does not have sufficient funds to acquire these critical public open space areas absent Conservancy participation.
6. **Greater-than-local interest:** The GP former mill site comprises 465 acres of ocean-front property that constitutes the City's entire waterfront. The proposed project is a unique and historic opportunity to acquire waterfront public open space for the benefit of not only the residents of Fort Bragg, but residents of and visitors to the entire Mendocino Coast, which is a statewide and national scenic and recreational destination. Furthermore, development of public access at this location will provide an important link in the California Coastal Trail.

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Additional Criteria

7. **Urgency:** GP is currently planning its exit strategy for the property. It is imperative that the City not lose this opportunity to benefit from GP's cooperation and acquire these critical coastal open space areas now.
8. **Leverage:** See the "Project Financing" section above.
9. **Cooperation:** The proposed transfer represents cooperation from the City, GP, and the public through the City-led outreach process.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed project is consistent with the relevant portions of the City of Fort Bragg's Local Coastal Program, certified February 26, 1988.

The Local Coastal Plan states in Section III (D) that public access to coastal areas within the City of Fort Bragg is very limited due primarily to the location of the GP property "along virtually the entire city coastline," and to "the incompatibility of such a heavy industrial use with public recreational uses." It further states in Policy III-24 that "the city shall review the feasibilities and opportunities for developing additional public accessways if there is a proposed change in the land use at the GP facility. . . ." The proposed project implements Policy III-24 by developing additional public accessways now that GP has closed the mill and is disposing of the property. Specifically, the proposed project would provide public access throughout the property in the form of a CCT corridor and areas of public open space along the headlands.

COMPLIANCE WITH CEQA:

The proposed project is categorically exempt from the California Environmental Quality Act (CEQA) under: (1) 14 Cal. Code of Regulations Section 15313 as an acquisition to preserve access to public lands and waters where the purpose of the acquisition is to preserve the land in its natural condition; (2) Section 15316 as an acquisition of land in order to establish a park where the land is in a natural condition, and the management plan has not been prepared; and (3) Section 15325 as a transfer of ownership of an interest in land in order to preserve open space and to allow restoration of natural conditions. Staff will file a Notice of Exemption upon the Conservancy's approval of the project.